

EXHIBIT 4

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF MARYLAND
2 GREENBELT DIVISION

3 COSTAR REALTY :
4 INFORMATION AND COSTAR :
4 GROUP, INC. :
5 VS. : CIVIL ACTION NO. 8:08-CV-663-AW
5 : :
6 MARK FIELD D/B/A :
6 ALLIANCE VALUATION :
7 GROUP, ET AL :

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VIDEOTAPED DEPOSITION OF

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RUSS ALAN GRESSETT

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July 28, 2009

Houston, Texas

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REPORTED BY: Craig Michael Bechtel

1 THE VIDEOGRAPHER: Today's date is
2 July 28th, 2009. The time is 9:12 a.m. We are now on
3 the record. This is the start of tape No. 1.

4 Will the court reporter please swear in
5 the witness?

6 MR. SAUERS: Do you want counsel to
7 identify themselves for the record?

8 THE VIDEOGRAPHER: Sure, if you want.

9 MR. SAUERS: Bill Sauers from Crowell
10 Moring on behalf of the Costar plaintiffs.

11 MS. LOVETT: Mary-Olga Lovett and
12 Pamela Ferguson, Greenberg Traurig, on behalf of
13 Mr. Gressett.

14 RUSS ALAN GRESSETT,
15 having been first duly sworn, testified as follows:

16 EXAMINATION

17 BY MR. SAUERS:

18 Q. Good morning, Mr. Gressett. How are you?

19 A. Very good. Thank you.

20 Q. Can you please state your full name for the
21 record?

22 A. Russ Alan Gressett.

23 Q. And your current address?

24 A. 13723 Darrington Lane in Houston.

25 Q. Have you ever been deposed before?

1 A. Yes, sir.

2 Q. And when did you get your bachelor's degree?

3 A. 1988.

4 Q. And your master's?

5 A. '90.

6 Q. Right after. Do you have any other degrees?

7 A. No.

8 Q. How about certifications?

9 A. Yes. I have a certification as a real
10 estate appraiser with the state of Texas as a general
11 certified appraiser. I have a broker's license with
12 the state of Texas.

13 Q. When did you get your certification as a
14 real estate appraiser?

15 A. I want to say it was 1990.

16 Q. And you've maintained that certification
17 since 1990?

18 A. Yes.

19 Q. And how about your broker's license? When
20 did you obtain that?

21 A. I obtained a real estate license, which is
22 an agent's license, prior to the broker license. I
23 obtained that in -- before then. It would have
24 been '87 or '88, somewhere in there.

25 Q. Uh-huh.

1 of the parties. And so I know they were aware of it.

2 Q. Is that the only basis by which you are
3 aware that National Valuation Group in Austin is aware
4 of the lawsuit?

5 A. Yeah, as far as I remember, that's -- that's
6 the only --

7 Q. Just -- just the one e-mail?

8 A. Yeah.

9 Q. Okay.

10 A. And that e-mail wasn't even to me direct.

11 Q. What is TCG?

12 A. TGC?

13 Q. I'm sorry. TGC.

14 A. That's a -- that's my d/b/a company that
15 I -- that I own.

16 Q. And what's the difference between TGC and
17 National Valuation Group in Houston?

18 A. Well, both of them are -- National Valuation
19 Group-Houston is another d/b/a that I own and TGC
20 Realty Counselors is basically what I would do
21 consulting work and brokerage work under. And National
22 Valuation Group is basically what I would do appraisal
23 assignments and some consulting assignments under.

24 Q. Do you have any other -- excuse me --
25 entities or names under which you operate?

1 A. No.

2 Q. Okay. Just National Valuation Group-Houston
3 and TGC?

4 A. Yes.

5 Q. And your own name -- do you operate under
6 your own name independently?

7 A. No. As a rule, no.

8 | O. Okay.

9 A. If I take on an assignment, I will -- I
10 will -- you know, I will do it under one of those two.

11 | Q. Does TGC have any employees?

12 A. No.

13 Q. Does National Valuation Group-Houston have
14 any employees?

15 A. No.

16 Q. Do -- does TGC have any independent
17 contractors affiliated with it?

18 A. No.

19 THE VIDEOGRAPHER: 9:40, off the
20 record.

21 | (Recess from 9:40 to 9:42 a.m.)

THE VIDEOGRAPHER: 9:42. on the record.

23 Q. (By Mr. Sauers) Have -- has National
24 Valuation Group-Houston ever had any employees or
25 independent contractors?

1 with Bilicek?

2 A. No.

3 Q. Have you ever?

4 A. No -- but what do you mean by business
5 relationship?

6 Q. Well, did you have any --

7 A. Sharing revenue, that type of thing or --

8 Q. Anything?

9 A. No -- no business relationship other than --
10 I give -- he gave -- I gave him access to search the
11 Costar database on occasion. He would forward -- you
12 know, he would forward -- he would forward a hundred
13 dollars every -- every so often to me.

14 Q. Every so often. Was there a regular payment
15 period or would you --

16 A. I think he understood it to be, you know, a
17 monthly thing, but it was sporadic and you know, it
18 was -- sometimes he would do it. Sometimes he
19 wouldn't.

20 Q. Did you have the same sort of relationship
21 with QVAL?

22 A. Yes.

23 Q. And how much was the fee that you charged to
24 QVAL for access to the Costar database?

25 A. I believe it was 125 a month. I didn't

1 really charge it to them. They would send that to me.

2 Q. How did they know to send it to you?

3 A. I -- I don't know exactly how it all came
4 about, as far as when we originally -- when they
5 originally started to do it, I think they just said:
6 Hey, you want -- you want me to send something? How
7 about 125 bucks?

8 I said: That's fine, whatever.

9 It wasn't something that I mandated.

10 Q. Same for Bilicek --

11 A. Correct.

12 Q. -- wasn't mandated?

13 How did you determine the differing
14 amounts when you said QVAL was 125 a month and Bilicek
15 was 100 a month?

16 A. I don't -- I don't remember how. I mean, it
17 was just an -- arbitrary, I guess.

18 Q. Did they use it for different purposes? Did
19 QVAL and Bilicek use Costar for different purposes or
20 in differing amounts?

21 A. Yeah. I would say QVAL used it more, but I
22 guess the purpose would be the same.

23 Q. How did Bilicek come to use the Costar
24 database?

25 A. We were friends, and I have known him for

1 Q. How did you come to obtain access to Costar
2 services?

3 A. It was via sub license through National
4 Valuation Group-California or Alliance.

5 Q. When you say sub license, do you mean did
6 you get a password?

7 A. Yeah.

8 Q. And how did you come to get a password for
9 the initial -- did you contact Alliance? Did Alliance
10 contact you?

11 A. Yeah, yeah. The -- Alliance had set it up
12 with, you know, within -- under their licensing with
13 Costar and then forwarded it to me.

14 Q. Do you know, did Alliance already have a
15 Costar database, or did they obtain access to the
16 Costar database as part of providing you with the
17 password?

18 A. I am not sure when they started service with
19 Costar. I know that -- I know that in about that time
20 in 2004, they offered the -- they offered a license up
21 to the rest of the -- of the National Valuation Group
22 organization.

23 And you know, at that point I -- you
24 know, I was -- we were, you know, in the appraisal
25 business. And I -- they said that, you know, it would

1 they can work out of town or whatever, as I recall.

2 And so I -- that -- the friend of mine
3 over there would call me, and I would give them access.
4 I thought it was -- I thought I had -- under the sub
5 license, I didn't think I was restricted from doing
6 that at all.

7 Q. And how much did Mr. Teel pay you monthly,
8 quarterly?

9 A. It seemed like it was quarterly. I think it
10 was 750 quarterly he sent.

11 Q. How did you come to that amount, decide that
12 was the amount?

13 A. I don't recall if -- if somebody over there
14 recommended that or not. I don't recall exactly how
15 the amount came up. It just came up, and that was -- I
16 was fine with it. I -- I didn't -- again, I wasn't
17 mandating that, either. But I mean, they -- I think
18 they -- they did it and sent it and that was fine.
19 It's not uncommon for people to pay -- you know, if you
20 get something from somebody, to pay something for it in
21 the appraisal industry.

22 Q. Did you invoice Mr. Teel?

23 A. I believe I sent an e-mail to them, you
24 know, for the quarterly payment.

25 Q. Did you invoice QVAL or Bilicek?

1 A. I don't believe I did.

2 Q. Okay. So how did they know when to send you
3 checks -- I am sorry -- QVAL or Bilicek?

4 A. They didn't, I don't guess. They just
5 understood it to be, I guess, monthly. That's why
6 sometimes they would, you know, send it after four or
7 five months and -- you know, four or five months at a
8 time or one month at a time or three months at a time
9 or just skip or whatever.

10 Q. And what did you do with any of the moneys
11 you received from Mr. Teel, QVAL, or Bilicek for
12 payment to access the Costar database?

13 A. What did I do?

14 Q. Yeah, where did it go?

15 A. Just deposited it into the -- my account.

16 Q. Your personal account or --

17 A. Yeah, I am a sole proprietorship, so it was
18 all -- you know, if they made it out to -- if they made
19 it out to my name or TGC or NVG, you know, that would
20 depend on what account I would put it into.

21 Q. And if it was paid into -- would these
22 moneys be counted as part of your payment required
23 under your agreement with National Valuation Group of
24 Austin?

25 A. No.

1 Q. Did you ever include any of that as part of
2 the aggregate?

3 A. No, no.

4 Q. Was Alliance aware that you were sub
5 licensing?

6 A. I don't know if they were or not.

7 Q. You never told them?

8 A. I don't remember telling them. I don't
9 remember being asked. I would have been fine with
10 telling them if they had asked me.

11 Q. And how did you go about providing your
12 password to QVAL, Mr. Teel, or Bilicek?

13 A. They would just call me on the phone, and I
14 would give them a -- the code.

15 Q. There was no e-mail or anything like that?

16 A. (Witness moves head side to side.)

17 Q. Did you ever provide the Costar password in
18 your possession to anybody other than QVAL, Mr. Teel,
19 or Bilicek?

20 A. I provided it to the Situs Companies on an
21 occasion or two. Normally, when -- I did a lot of work
22 for Situs, consulting work for Situs. A lot of times
23 on big portfolios, I would work in their offices. And
24 I utilized my Costar access when I was in their
25 offices, and there were some occasions where somebody

1 didn't tell them, hey, hush-hush, this is on the bum or
2 whatever, don't tell anybody you are doing this, none
3 of that.

4 Q. Did you tell them that it could only be used
5 for the project you were working on for them?

6 A. No. No. I didn't think there was any
7 restrictions on it whatsoever. It was a pretty
8 pricey --

9 Q. What's your --

10 A. I mean, I wasn't trying to get them to hide
11 anything whatsoever.

12 Q. You said it was pretty pricey. What's your
13 understanding? What do you mean by that?

14 A. Well, I mean, as I recall, you know, I was
15 paying, you know, 1250 or 1300 -- up to \$1350 a quarter
16 for it. That's -- I don't know about attorneys, but
17 for me that's pretty pricey.

18 Q. Me, too.

19 A. I mean, plus it was -- it was -- you know,
20 it was just a starting point. It wasn't -- you know,
21 the data wasn't always that reliable. So you had to go
22 on from there, you know, and so you know, it was -- I
23 thought it was a lot of money.

24 Q. And then so you would -- the sub licensing
25 was an effort to recoup some of the costs?

1 just was under the understanding -- understanding that,
2 you know, they monitored that.

3 Q. When were you under this understanding?

4 A. Well, just -- just from based on what we
5 read, you know, just like when I first read that news
6 bulletin. Costar monitored -- you know, that I
7 originally saw. So, you know, I was just -- my
8 question was: All right. If that's -- you know, if
9 they accessed it from my password, but they -- I mean,
10 your original question was: Did -- could they have
11 accessed it without my pass code, right?

12 Q. That's all I am asking.

13 A. And I -- and I am saying I don't know the
14 answer to that. I mean, Teel, I was under the
15 understanding that Teel had a separate account with --
16 with Costar and they could have.

17 Q. Do you know what kind of account he had with
18 Costar?

19 A. I do not. I don't even know for sure that
20 he did, but I am just -- in answer to your question --

21 Q. Do you know if QVAL --

22 A. Do I know if QVAL? I don't know about QVAL.
23 I don't know. I would assume not, but I don't know for
24 sure.

25 Q. You would assume they do not have the

1 ability to access the Costar database without your
2 providing them with a password?

3 A. No. I would assume that they didn't have a
4 separate account with Costar.

5 Q. Why would you assume that?

6 A. I just think -- I just think I would have
7 known. I just think that Jerry would have told me.

8 Q. How about Bilicek?

9 A. I don't know about Bilicek.

10 Q. How about Situs?

11 A. I don't know about Situs, either.

12 Q. If they had a password to access the
13 databases containing the information to which you had
14 access, why would they have come to you?

15 A. Say that again.

16 MS. LOVETT: Speculation.

17 A. Say it again.

18 Q. (By Mr. Sauers) Why would any of these
19 entities to which you provided your Costar database
20 have come to you, if they had access to the Costar
21 databases to which you had access?

22 MS. LOVETT: Speculation.

23 A. I don't know the answer.

24 Q. (By Mr. Sauers) Well, okay.

25 A. I was -- my the -- the whole reason for

1 A. That I needed to get access.

2 Q. What did you need -- and in order to get
3 access, what did you need to have?

4 A. The key token.

5 Q. So does that refresh your recollection as to
6 whether or not you had to have an access code in order
7 to get into the Costar database?

8 A. No, I still don't know if there is some
9 other way to do it.

10 Q. From your understanding in the way that you
11 operated with the database, was there any other way to
12 do it?

13 A. That's the way I operated with the database.

14 Q. Were you aware of any other way to do it?

15 A. No.

16 Q. Were you aware of any other way for QVAL,
17 Bilicek, or Situs to get into the database, other than
18 through the password you gave them?

19 A. No, sir.

20 Q. Do you know roughly what percentage of your
21 business came from Situs?

22 A. Not off the top of my head.

23 Q. More than half?

24 A. No.

25 Q. 25 percent?